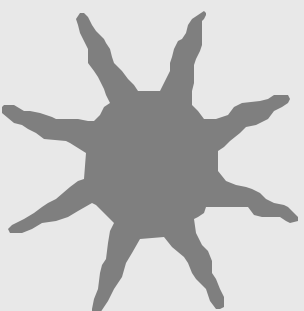
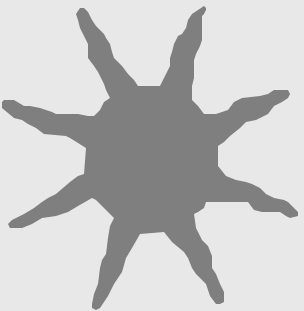


Contractor Past Performance Rating

Ananth Prasad



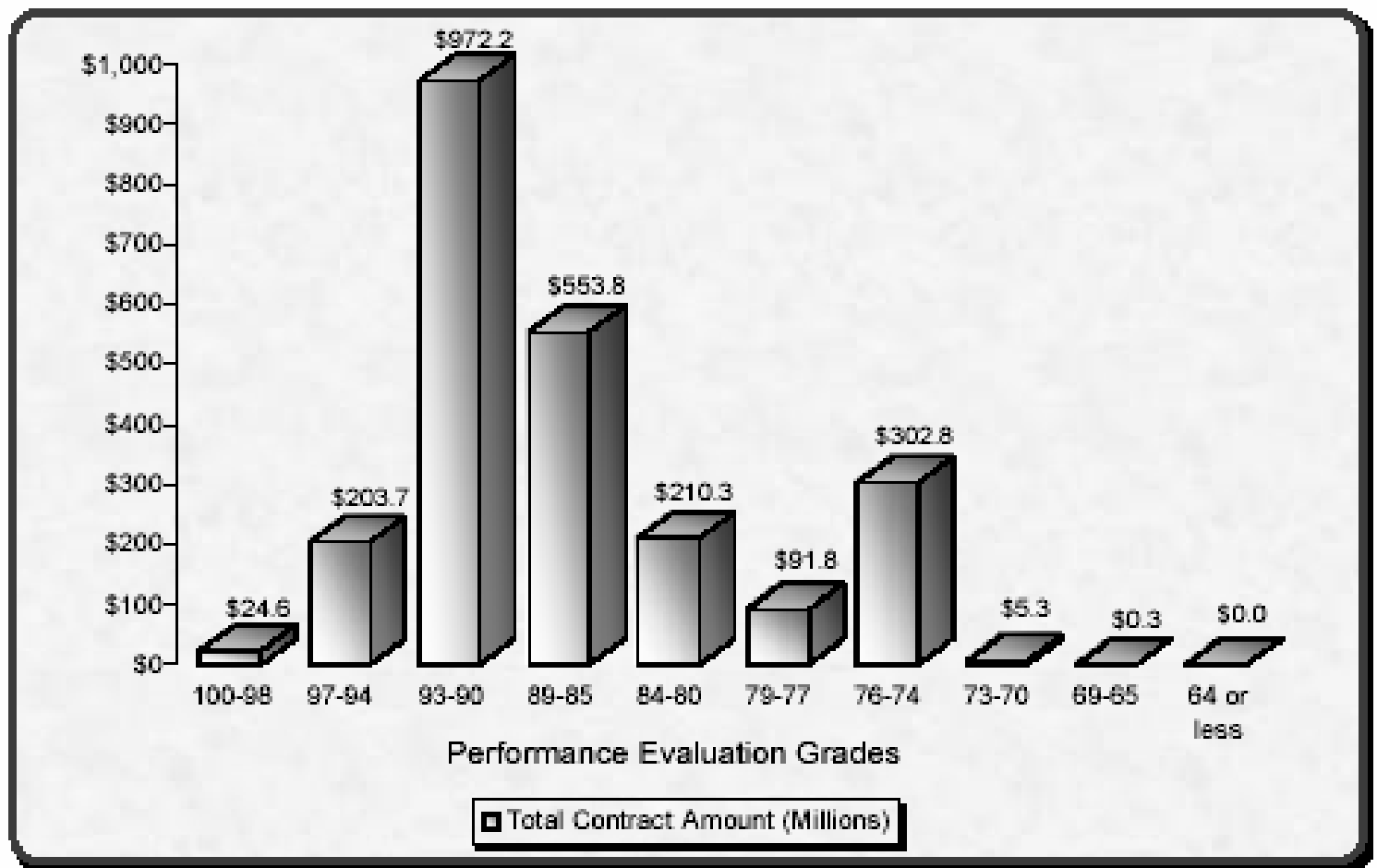
Why the New System?



- ★ More objective process
- ★ Communicate performance issues proactively
- ★ Tied to outcomes that are important to Customers
- ★ “Raise the bar” on Contractor’s performance
- ★ Factor in past performance as part of Low-Bid system (e.g. Design-Build)

History

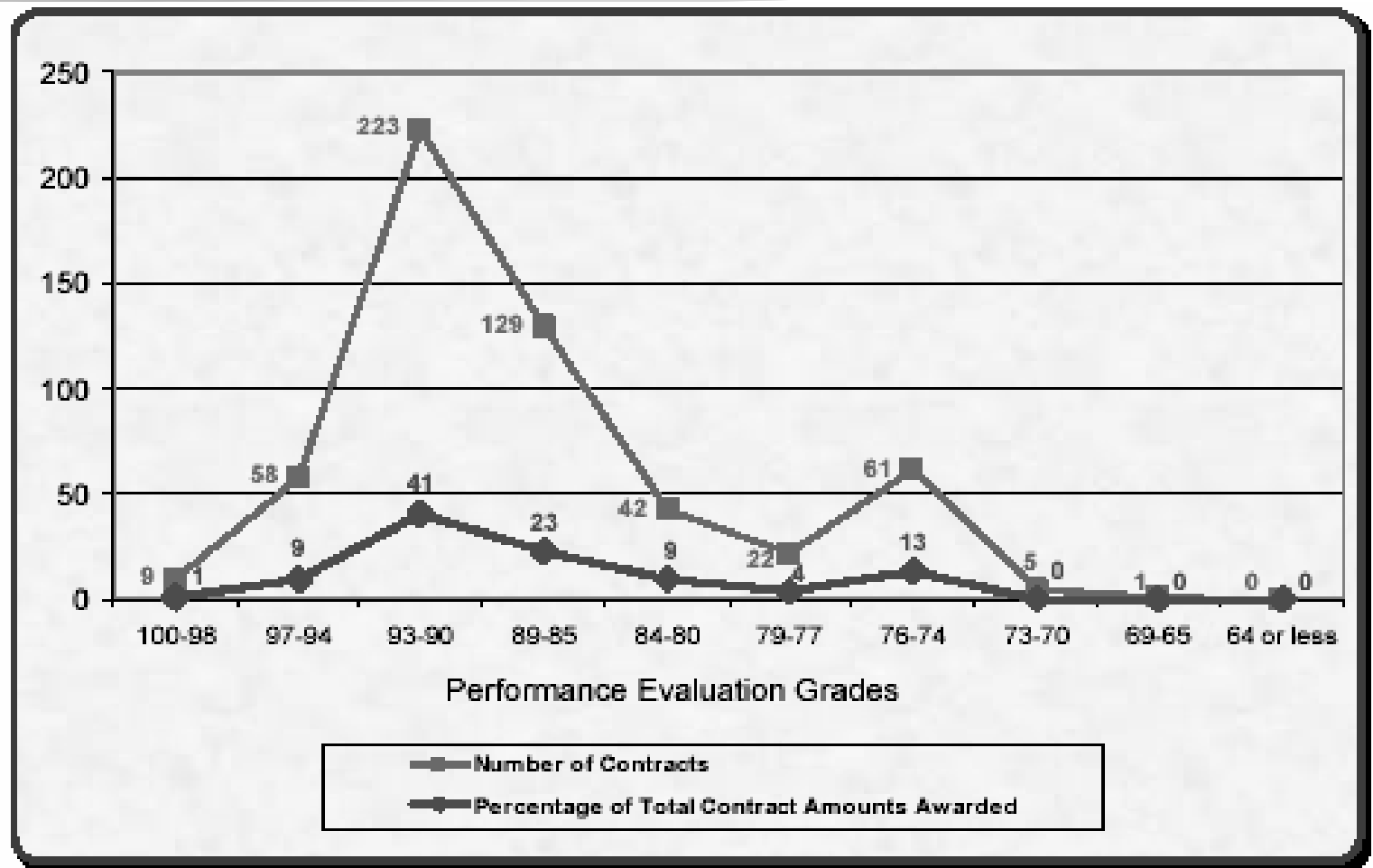
*(for contracts awarded from July 2000 thru'
December 2001)*



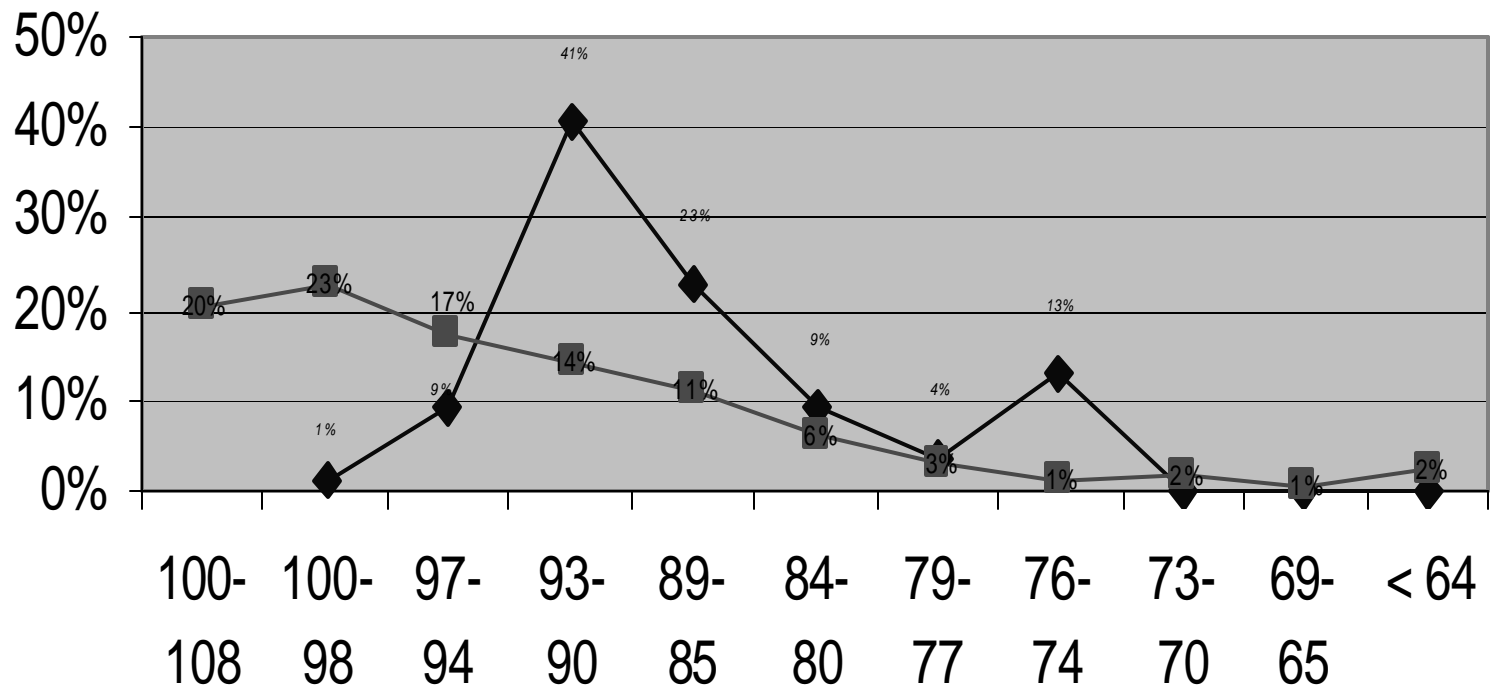


History

*(for contracts awarded from July 2000 thru'
December 2001)*



Comparison – Old vs. New



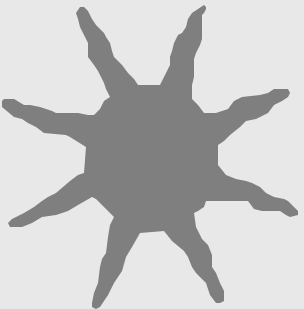
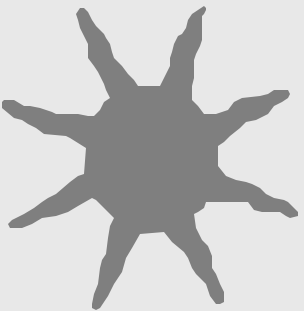
—◆— July 2000 thru December 2001 —■— July 2002 thru December 2003



Impacts of Past Performance Grades

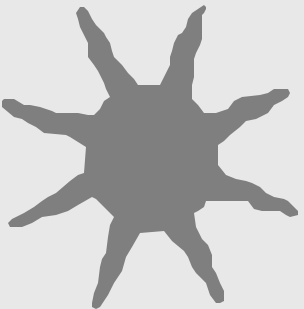
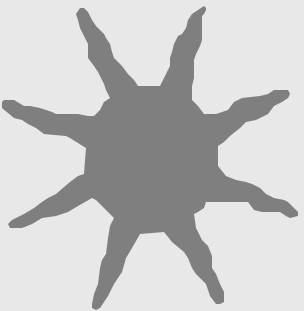
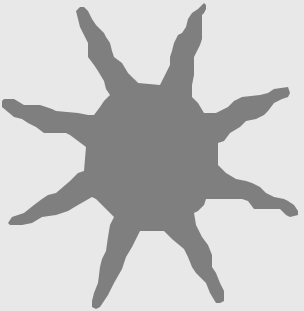


- ★ Rule 14-22 Florida Administrative Code
- ★ Impacts to pre-qualification and bidding capacity.
- ★ The higher the average score, the higher the bidding capacity.





Impacts of Past Performance Grades



- ★ Contractor past performance score is used to determine bidding capacity.
 - Typically, we use the last years scores to average but under certain circumstances, we can average up to last five years of scores. Year starts from the date of Contractor's pre-qualification (in most cases, it is April).
 - In any case, a score once used in an average cannot be used again.
- ★ TAKE IT SERIOUSLY! WE NEED TO BE FAIR AND REASONABLE, BUT STILL, A "GOOD" IS A "GOOD" AND A "BAD" IS A "BAD"



Bidding Capacity Impacts

$$\text{MCR} = \text{AF} \times \text{CRF} \times \text{ANW}$$

Where,

MCR = Maximum Capacity Rating

AF = Ability Factor (ranges from 1 to 15)

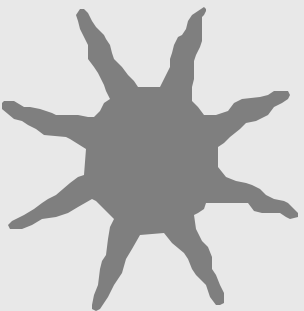
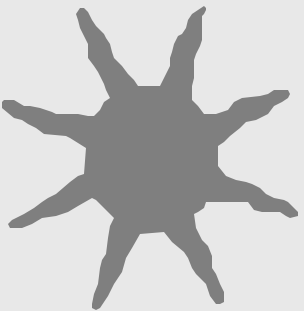
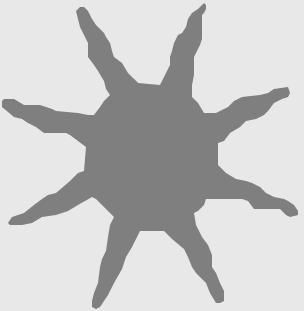
CRF = Current Ratio Factor (ratio of adjusted current assets and adjusted current liabilities)

ANW = Adjusted Net Worth (as described in FAC)



Ability Factor

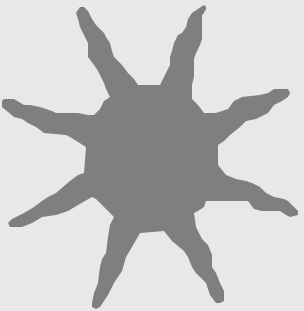
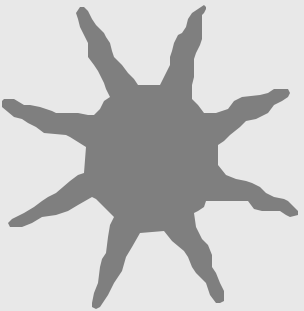
(revised as part of the new grading system)



Ability Score (avg. of the grades)	Ability Factor
64 or less	1
65 – 69	2
70 – 73	3
74 – 76	4
77 – 79	5
80 – 84	8
85 – 89	10
90 – 93	12
94 – 97	14
98 – 100	15



Ability Factor



- ★ If a Contractor receives an ability score of 76 or less on two or more past performance reports for projects completed during the 12-month period, the AF will be limited to a maximum of 4 and the use of Surety Letter prohibited, unless
 - the applicant's average ability score (inclusive of all score received during the period) is 87 or greater.

Effect of Past Performance on Maximum Contract Rating

Average Past Performance Scores	Ability Factor	x	CRF	x	ANW (in millions)	=	MCR (in millions)
Large Company – ANW of \$100 million or more: (2*)							
98 to 100	15		1.3		\$334.10		\$6,515
74 to 76	4		1.3		\$334.10		\$1,737
64 or less	1		1.3		\$334.10		\$434
Medium Company – ANW between \$20 million and \$99.9 million: (9*):							
98 to 100	15		1.3		\$52.70		\$1,028
74 to 76	4		1.3		\$52.70		\$274
64 or less	1		1.3		\$52.70		\$69
Small Company – ANW less than \$20 million: (128*)							
98 to 100	15		1.3		\$1.50		\$29
74 to 76	4		1.3		\$1.50		\$8
64 or less	1		1.3		\$1.50		\$2
*Represents the number of contractors awarded contracts by the Department during the period July 2000 through December 2001.							
Source: Department records							

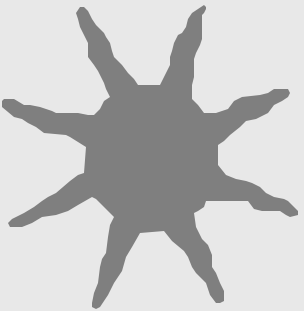
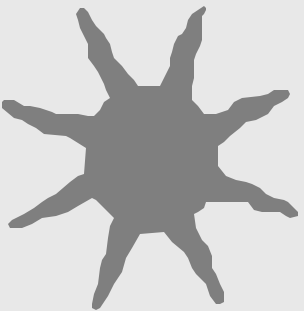


The Good and the Bad



★ PROS

- ★ “pay as you go” approach
- ★ More objective
- ★ Escalation process built-in
- ★ Requires clear documentation as back-up



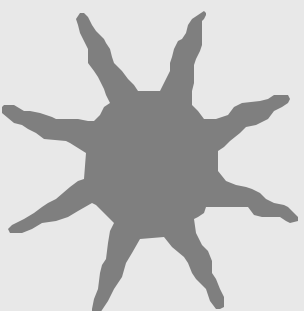
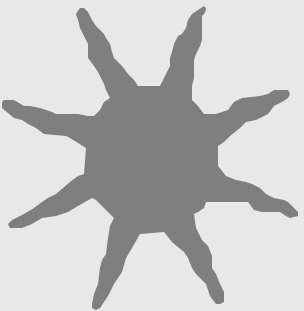
★ CONS

- ★ Still some subjectivity
- ★ Another Change
- ★ More documentation
- ★ Grade “correction”



Communication is the Key

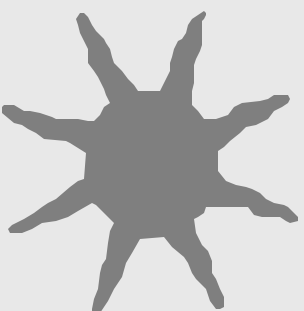
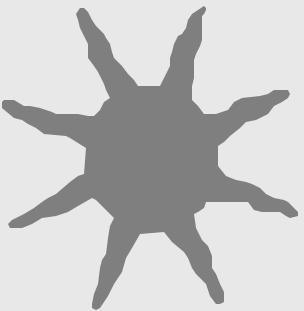
(from CEI Standpoint)



- ★ Be Reasonable and Fair ... we are not expecting perfection, nevertheless we should not rationalize mediocrity.
- ★ “No-surprise” rule but that does not mean there are “100 life-lines”. (“Who wants to be a Millionaire” show gives you 3!)
- ★ Clear Documentation
 - Daily diaries
 - Weekly/Monthly progress meetings
 - Weather letter
- ★ Deal with the issues ... proactively .. Don’t hide



Communication is key

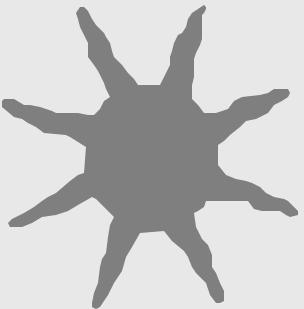
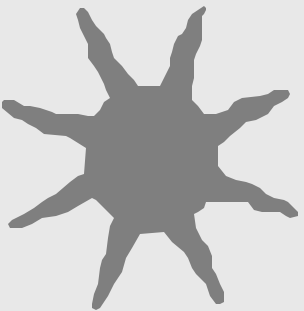
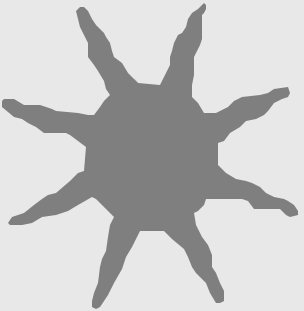


- ★ At Pre-Con, establish who in the Contractor needs to be notified w/project performance issues.
- ★ Contractors upper management need to keep tabs on what is being said and written.
- ★ Deal with the issues ... proactively .. Don't hide



Outcomes

- ★ Scores that truly depict Performance
- ★ Clearer divisions between the Contractors based on their performance rather than perception

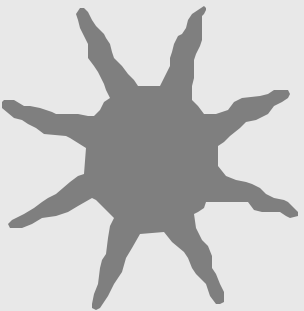




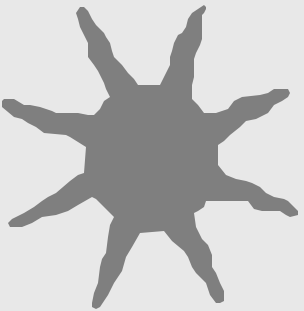
Reality Check



★ Ask yourself which Contractor is the best and which one needs improvement in your District

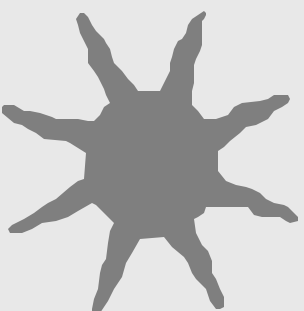
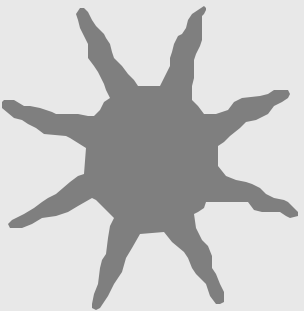


- Then see where their average is.
- Then see where the rest stack-up





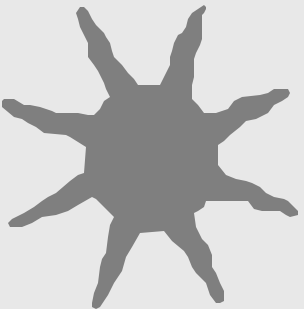
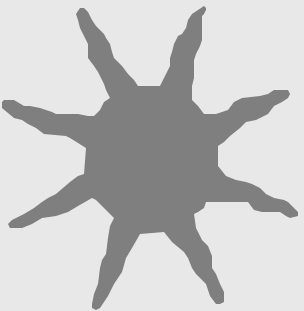
The Nine Categories (weighted)



- ★ Pursuit of the work (12)
- ★ Proper MOT and minimize impacts to traveling public (12)
- ★ Timely and complete submittal of documents (8)
- ★ Timely completion of project (16/20)
- ★ Cooperation/ Coordination (10)
- ★ Mitigate cost and time overruns (12)
- ★ Environmental compliance (10/12)
- ★ Conformance with contract documents (20)
- ★ DBE Utilization (2)



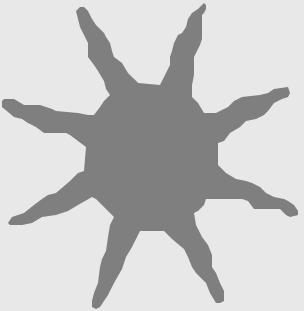
The Ground Rules



1. Standard rules of rounding apply
2. Documentation = Daily report of Construction, Stop Work Orders, Speed Memos, etc.
3. Contractor = Prime, Subs, Suppliers
4. Bonus points (Cat # 4, 7 and 9)
5. Deficiency Letter (Cat #2, 3, 5, 6, 7)
6. Deficiency Warning Letter / Verbal Warnings



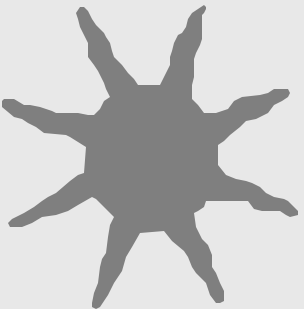
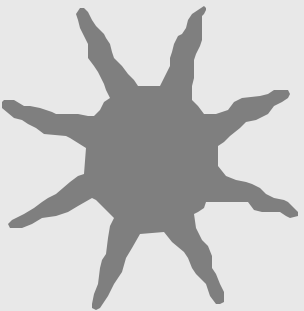
The Ground Rules



7. Deficiency Letter Factor (DLF) to account for contract duration

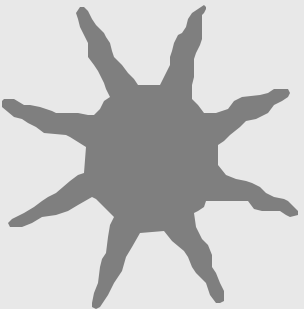
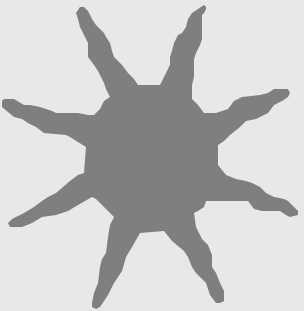
8. Contractor responsibility

- Do the right thing .. React
- Keep up with performance
- Keep up with the Subs, Suppliers, etc.
- Progress meetings





Appeal Process



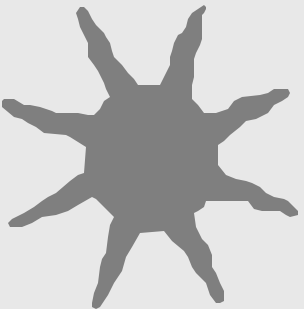
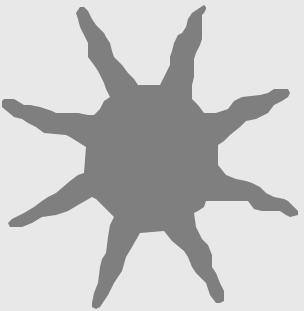
★ Procedure provides for appeal

- Contractor can appeal a Deficiency Letter to DCE ... Timely notice required
- Contractor can appeal the Final Score to DCE. Timely notice required
- Contractor can appeal at the time of Application of Qualification
- Contractor has Administrative Hearing rights if all else fails.



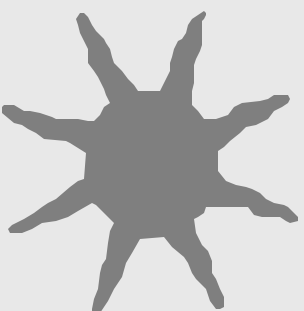
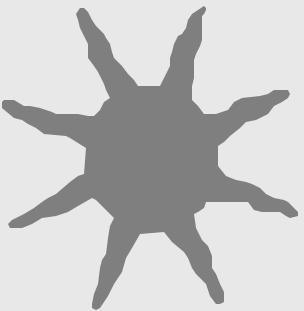
Appeal Process

- ★ Deficiency letters issued by Resident Engineer can be rescinded with concurrence from DCE
- ★ Appeal should be based on facts
- ★ Verbal Warning and DWL cannot be appealed.
- ★ DRBs are not authorized to review CPPR issues. It is an Administrative issue not a Contract issue.





Category 1: Pursuit of the Work



- ★ Based on Contractor diligently and systematically pursuing the work each day
- ★ Based on how contract time was established
- ★ Pursuit is determined on work days. Work days will always be less than Present Contract Time.
- ★ Cannot be greater than 100 %
- ★ No deficiency letter used
- ★ Daily Report of Construction has been modified to track this.



Category 1: Pursuit of the Work

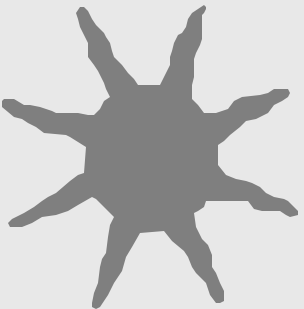
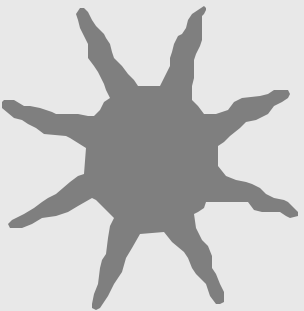
★ Pursuit of Work cannot be greater than 100 % .

- Percent is based on allowable contract time (minus weather days) an on a five workday week unless otherwise stated in the Contract.
- On some contracts, the contract time is based on a six-day or a seven-day (rare) workweek.



Category 1: Pursuit of the Work

- ★ Company-wide Shutdown (Vacation) shall not be counted as “non-pursuit” days if:
 - Company-wide operations are shut down.
 - A period not to exceed 7 consecutive calendar days during a calendar year.
 - Such periods of inactivity shown in the schedule submitted at the pre-con.

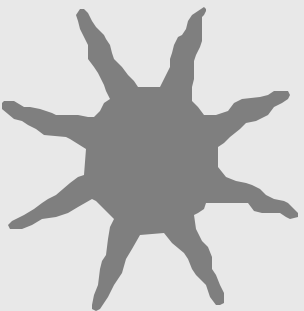
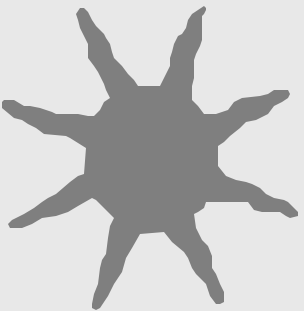




Category 1: Pursuit of the Work - Examples



- ★ Pursuit of Work cannot be greater than 100 %.
 - If the Contract Time is based on a five-day workweek but the Contractor has been working six or seven days, Pursuit of Work will be based on the five-day workweek and whether Contractor pursued work on that many number of days. Make a notation in the remarks section.
 - This will prevent from “banking” the extra days so as to prevent potential abandoning the projects later on and not have negative grade implications.





Category 1: Pursuit of the Work

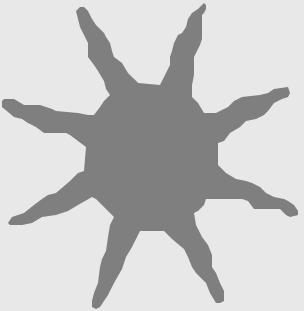
- Examples

- ★ Contract Time was based on a six-day work week
- ★ But, the Contractor worked on controlling items for only 5 days out of the week. (5 days divided by 6 days = 83%)
- ★ For the total month, Contractor worked 20 days of 30 days (20 days divided by 30 days = 67%).

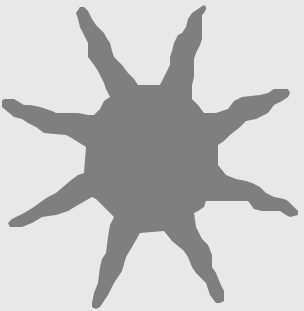


Category 1: Pursuit of the Work

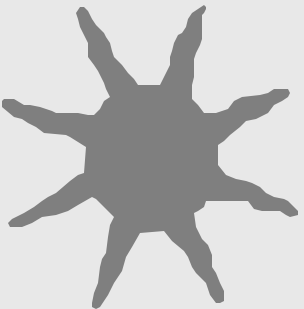
- Examples



★ Contractors need to show non-work period in their schedule if the intent is to not to start work once time starts. Signs do not need to be placed also.



★ The intent is not to penalize the Contractor when he does not start work when contract time begins (provided schedule shows that) but once the Contractor starts work, it is the intended to “count against” if the Contractor abandons the project (regardless if it is shown in the schedule)



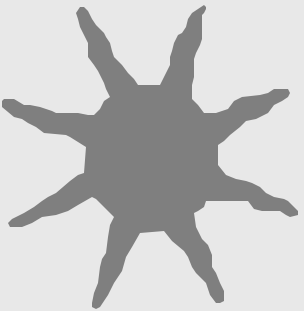
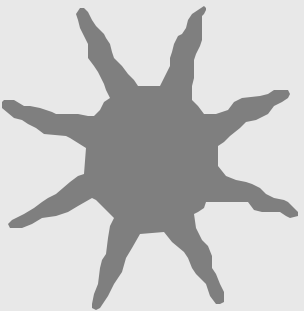


Category 1: Pursuit of the Work

- Examples



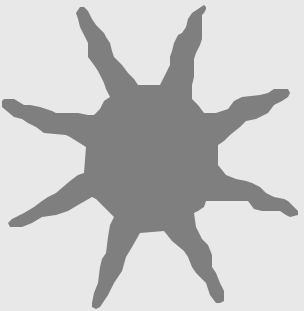
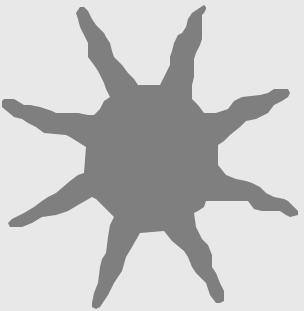
- ★ A Contractor has been working five days a week regularly but during a particular week, it rains one of the day (Wednesday).
 - Count this as 100 % pursued (make notation in the spreadsheet for the weather day)





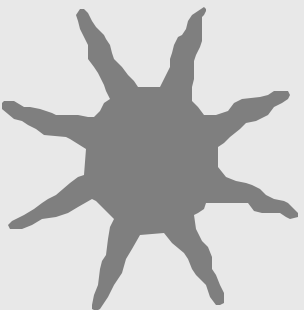
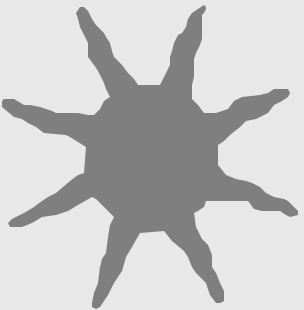
Category 2: MOT & Public Impacts

- ★ Based on Contractor initiative to identify and fix problems
- ★ Includes proper MOT, business access, pedestrian issues, and traffic flow
- ★ Deficiency letter process used





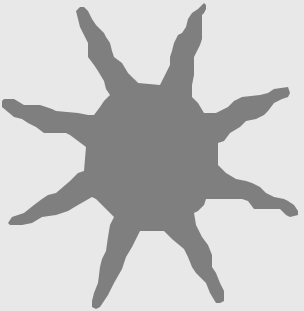
Category 2: MOT & Public Impacts - Examples



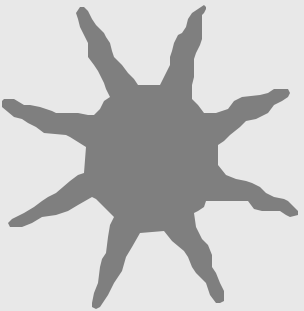
- ★ Contractor has to be reminded that barricades laying on ground.
- ★ Contractor has to be reminded on lane closure restrictions.
- ★ Blatant violations, such as violating lane closures restrictions, warrant DL unless it is an unforeseen situation and the Engineer has been advised and has given his/her concurrence.



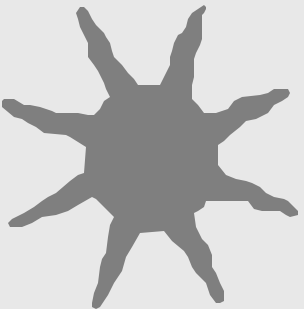
Category 2: MOT & Public Impacts - Examples



★ It is not the intent to remind the Contractor on every requirement of the Contract prior to issuance of a DWL.



★ We need to recognize that “stuff” happens and give the Contractor the benefit of doubt, BUT, on the same token, we should not tolerate the Contractor’s inability to mitigate the “stuff” from happening.



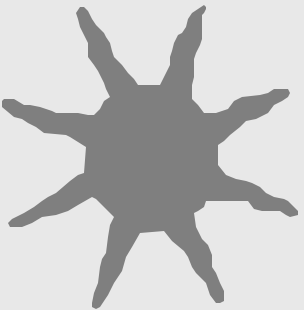


Category 3: Submittal of Documents



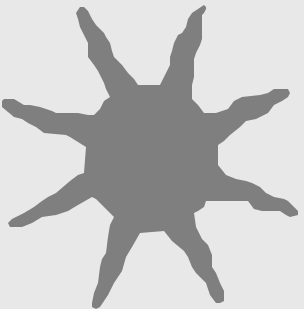
- ★ Timely submittal

- ★ Complete submittals



- ★ DOT does not have to hold Contractor's hand

- ★ Deficiency letter process used

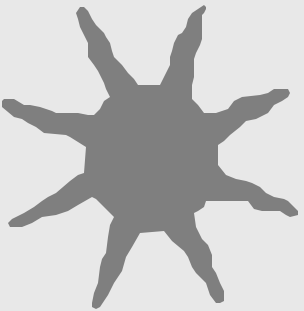




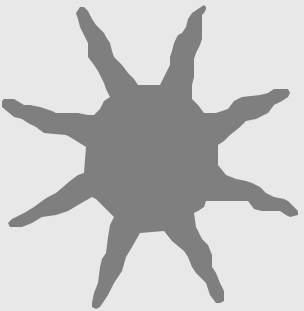
Category 3: Submittal of Documents - Examples



- ★ Monthly Certification, had to remind the Contractor of the monthly cert.



- ★ Quality Control plans.



- ★ Initial Schedule submittal

- ★ Weekly MOT reports.

- ★ Schedule updates.

- ★ Environmental Reports.

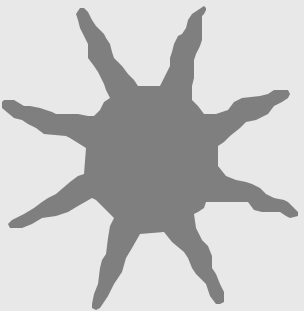
- ★ Engineering Analysis Reports



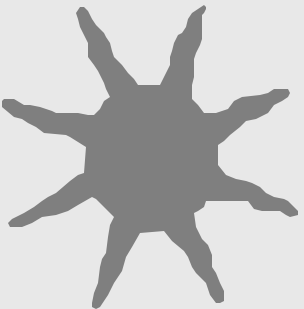
Category 3: Submittal of Documents - Examples



★ EEO/DBE, trainee, certified payroll issues come into play only when monthly estimate is withheld

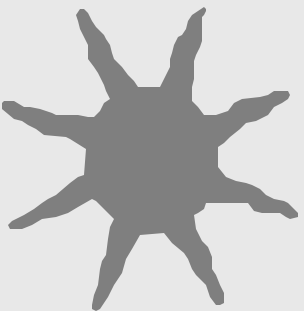
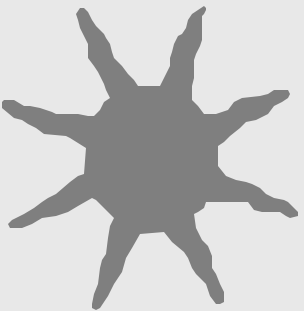
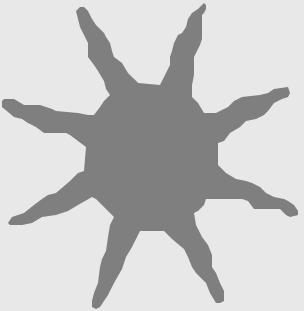


- Letter notifying possible withholding of monthly estimate – automatic DWL
- Letter notifying withholding of monthly estimate – automatic DL





Category 3: Submittal of Documents - Examples



- ★ If we had to issue letters, month after month, notifying possible withholding of monthly estimate – issue DWL in category 3 and DL in category 5.
- ★ DL in category 3 is only issued if the monthly estimate was withheld.



Category 3: Submittal of Documents - Examples

★ Engineering Analysis Reports (EAR)

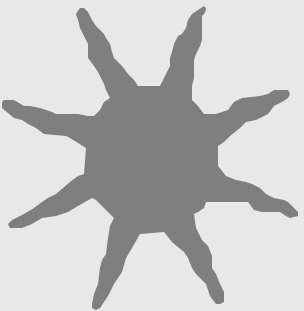
- Once it is determined that an EAR is needed, mutually agree on a timetable of when this submittal is made.
 - If the Contractor fails to acknowledge, then establish a reasonable timeframe (10 working days) to submit
 - If no submittal is made, then issue a DWL and provide for another 5 working days.
 - If still no submittal, then issue a DL



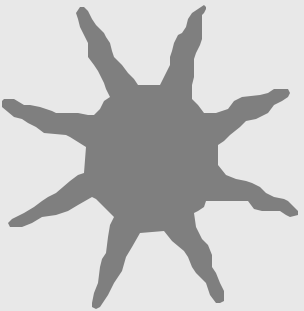
Category 4: Project Completion



★ 14 points for finishing within Allowable Contract Time.



★ Bonus points for early completion or within Original Contract Time.



★ Significant scoring reduction for finishing late

★ No deficiency letters used



Category 5:

Cooperation/Coordination

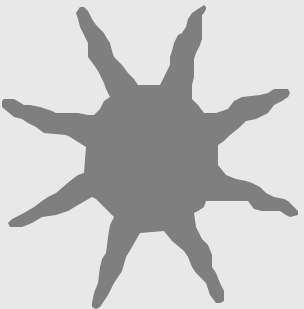
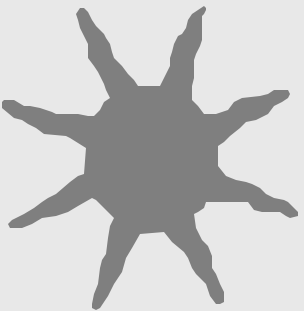


- ★ Includes CEI personnel as well as property owners, utilities, and third parties

- ★ Based on Contractor's initiative

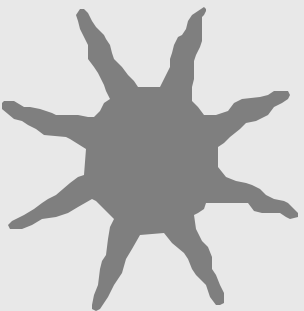
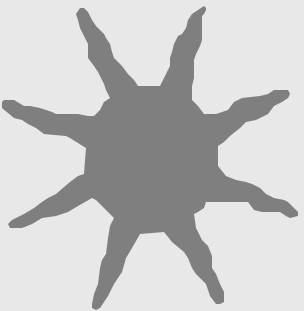
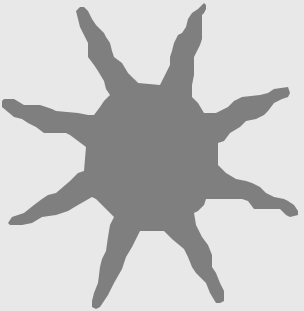
- ★ Deficiency letter process used

- ★ Blatant violations are when CEI tells the Contractor not to do something but the Contractor proceeds anyway. Contractors need to escalate the disagreement/misinterpretation prior to proceeding with the work.





Category 5: Cooperation/Coordination - Examples



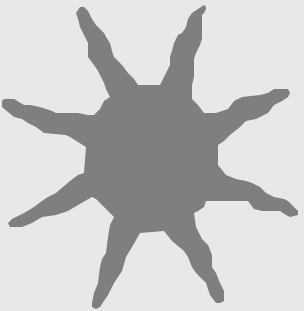
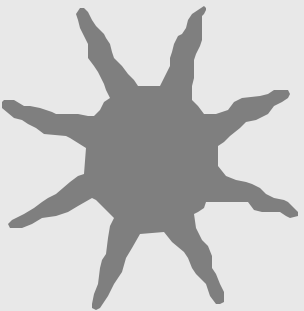
- ★ Contractor was advised to stop work and did not.
- ★ Contractor was advised to stop paving and get out of the road due to lane closure time requirement that is in the Contract. This could result in multiple negative implications (DL in this category, Conformance to Contract Documents)
- ★ Lack of good coordination, everything seems to be last minute. PLANNING IS KEY.



Category 6: Mitigate Cost and Time Overruns



- ★ Contractor initiative to avoid cost and time increases
- ★ Deficiency letter process used





Category 6: Mitigate Cost and Time Overruns - Examples

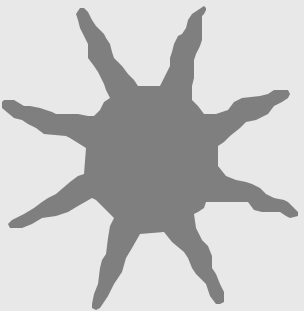
- ★ Contractor worked diligently to supply all information on the cost and time increases on claims that were submitted by them.
- ★ The requests for additional money and time are well documented, fair and submitted timely.
- ★ Contractor showed good-faith in relocating resources in order to mitigate cost and time increases.



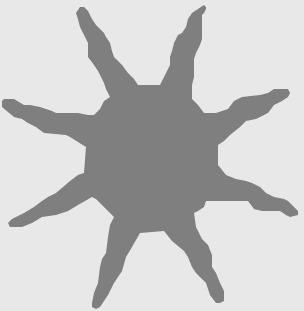
Category 7: Environmental Compliance



- ★ Based on Contractor initiative to identify and fix problems



- ★ DOT does not have to hold Contractor's hand

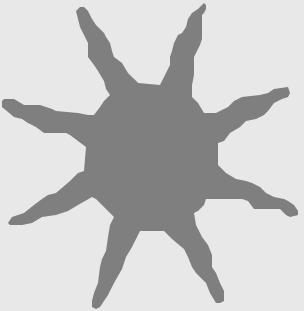


- ★ Bonus points for jobs over 300 original days

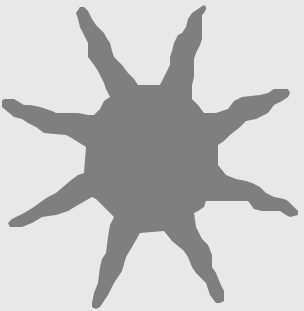
- ★ Deficiency letter process used



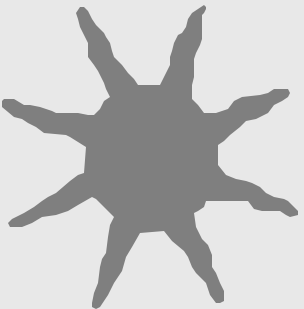
Category 7: Environmental Compliance - Examples



★ Contractor complied with all the requirements for environmental regulations (Federal, State and local).



★ Contractor complied with the contract erosion control plan, permits, and specifications and corrected deficiencies as necessary.



★ Proactive in maintenance of erosion control features.

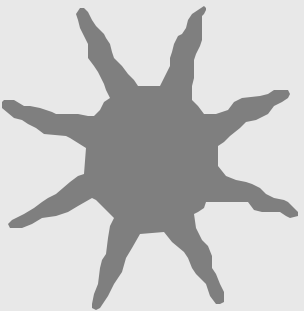
★ Had foresight on extended weather forecast and put necessary features in place.



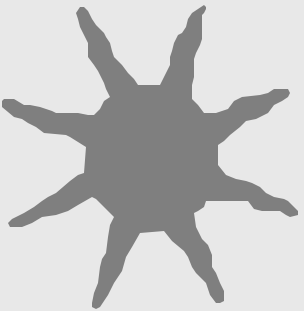
Category 7: Environmental Compliance - Examples



★ Washout into streams, rivers, and waterways result in automatic DL.



★ Completed the SWPPP inspection reports as required by permit and in a timely manner with full compliance to all areas of the project.





Category 8: Conformance with Contract Documents

- ★ Contractor efforts are such that the Department's CEI efforts are not essential to ensure quality.
 - Includes Prime, Subs, Suppliers, etc.
 - Includes all products and services (temporary and final).
- ★ Rely on documentation in dailies and other project records
- ★ No deficiency letters used
- ★ Based on chargeable work days. It should always total to Contract Time used.

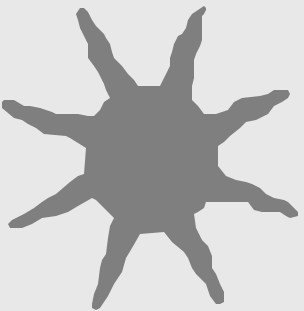


Category 8: Conformance with Contract Documents

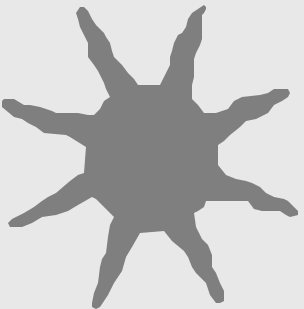


★ Concern about “continuous gigs” in this category

- CEI needs to escalate the concerns thru’ VW, DWL and DL prior to “continuous gigs”
- Be reasonable!



★ Refer to “Additional Guidance given”.





Category 8: Conformance with Contract Documents - Examples

- ★ Contractor did not lay pipe, true to the lines and grades. It is a non-conformance day for the day it happens provided the Contractor acknowledges the deficiency and has a plan of corrective action. If the Contractor is non-responsive to the issue, it could result in multiple non-conformance days
- ★ Contractor has closed a lane of traffic without the lane closure signs. This could result in multiple negative implications (Conformance to Contract Documents and DL in category #2)



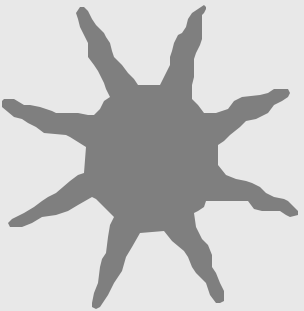
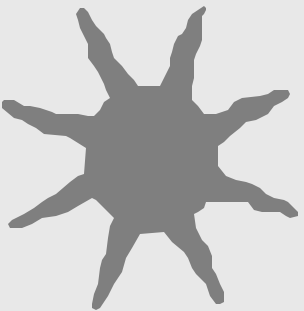
Category 9: DBE Utilization



- ★ 2 bonus points

- ★ Based on (1) availability % or (2) eight percent depending upon bid proposal

- ★ No deficiency letter used



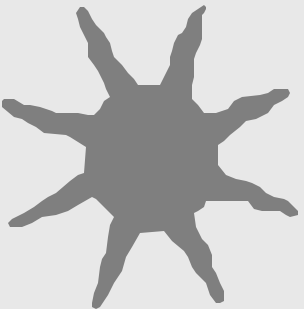
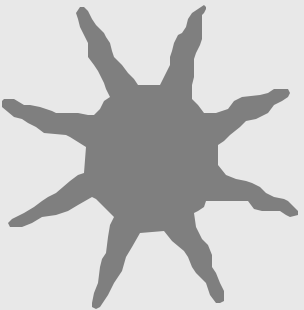


Changes to Daily Report of Construction

- ★ Added a box titled “Contractor Past Performance” with check boxes for Pursuit of Work and Conformance with Contract Documents.
- ★ This will allow us to document everything without prejudice as to whether the Contractor conformed with Contract Documents on that particular contract day.
- ★ This will facilitate easy correlation with the tracking spreadsheet.



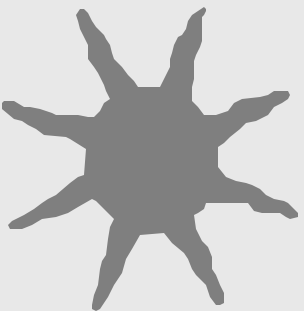
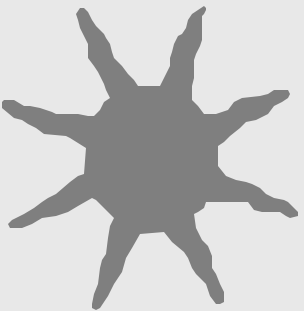
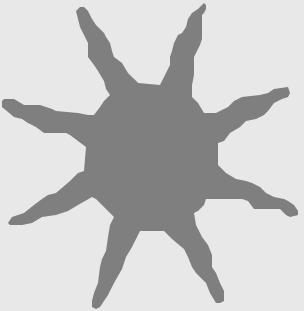
FAQs



-
- ★ Can a Contractor's rating be affected in more than one category for the same infraction?
 - YES
 - ★ Is it a non-conformance day if a Contractor constructs an item and recognizes the error and corrects the error without having to have been directed by the CEI?
 - NO This Contractor is GOOD!



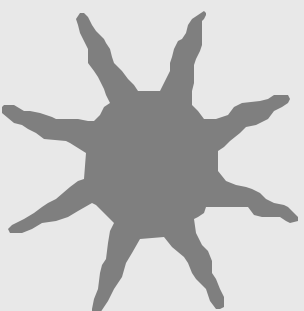
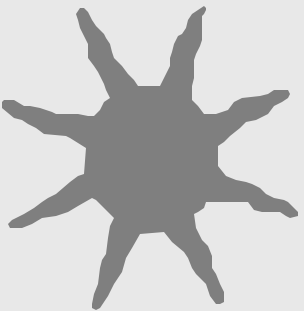
FAQs



-
- ★ How to grade a category when the category does not apply (MOT for a project in which the work is inside of a Building)
 - Give the maximum points
 - ★ Does a bad sidewalk on a major bridge project result in non-conformance day?
 - YES .. You can equate this to a top performing employee who happens to be very tardy.



FAQs



-
- ★ What happens when there an issue on TE pending with the DRB after final acceptance?
 - The Project Administrator issues a final score within 45 calendar days of final acceptance.
 - If the DRB ruling affects the score, the Project Administrator adjusts the score and re-issues the final score.

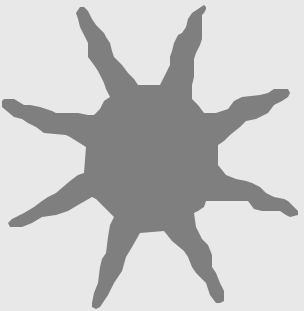


FAQs



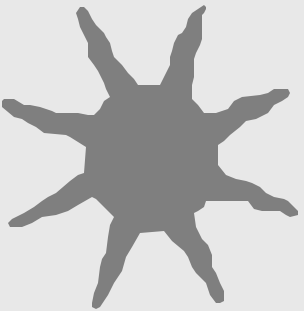
★ Are there any perfect construction jobs out there?

– NO.



★ Does that mean you cannot get a 100?

– NO. You can have less than a perfect job and still get perfect score.





1972 Miami Dolphins

★ Team Statistics

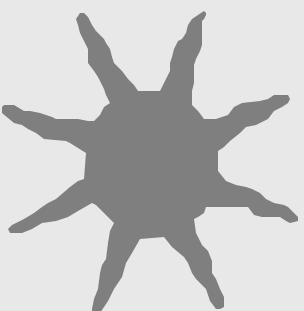
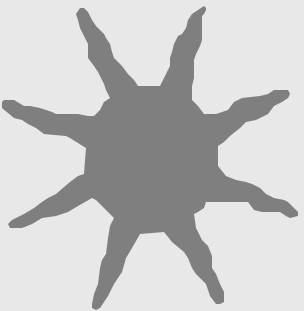
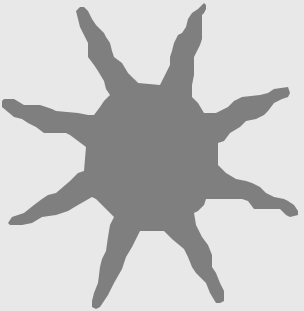
- 3rd down conversion – 82/177 (46 %)
- Interceptions – 12
- Fumbles/Lost – 25/16

★ Rank in NFL

- Lead the league in Rushing, Avg. Points Scored, Avg. Points Allowed, but
- 2nd in the League in Total Yards Allowed and Rushing Defense



FAQs



- ★ What does the State Construction Office look for when they see a grade?
 - The score (obviously)
 - Pursuit of work
 - Conformance with Contract Document days – if it 100%, there is something fishy.
 - No VW, DWL and DL depending on the complexity of the project and general “street-talk” about the project.
 - A lot of VW but no DWL or DL.
 - Known facts communicated thru’ formal channels but no VW, DWL, or DL.

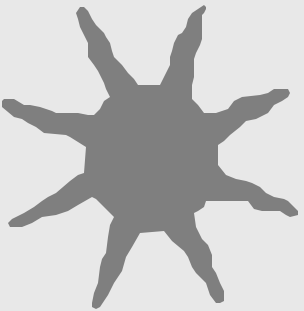
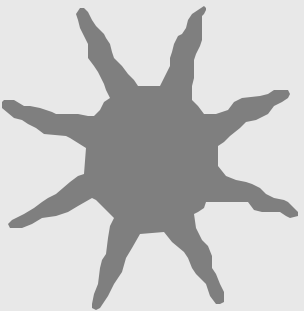


Contractor Past Performance Report Spreadsheet

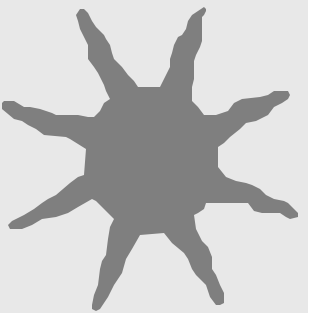
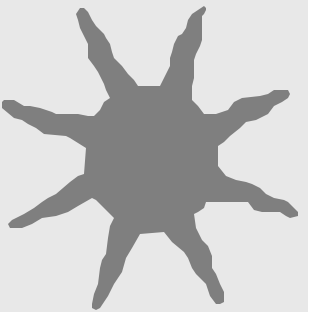
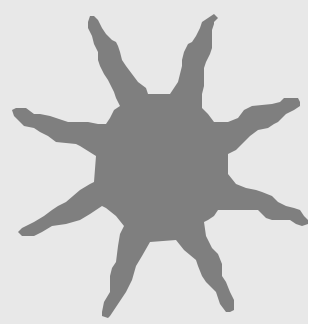
- ★ Information should be tracked on a monthly basis. Use of the spreadsheet is MANDATORY. Need to have a spreadsheet for each project.
- ★ The spreadsheet is located on the State Construction Office website under “Downloads”
- ★ Needs to be given to the Contractor at the monthly meetings and noted in the meeting minutes that they were given a copy on the CPPR spreadsheet and what the score is presently.
- ★ Interim grades is based on certain assumptions, such as Contractor finished within the allowable contract time and did not achieve or exceed DBE utilization



More Guidance



-
- ★ Visit the State Construction Office Website
 - www.dot.state.fl.us/construction
 - Click on “Specialized Area” and then on “CPPR Guidance”



Questions?

